



# China Business Protocol

Understanding China business protocol is critical for establishing sound, long lasting relationships. Taking time to understand these simple items can help avoid problems when doing business in China.

**Business Dress:** Men and women should have business attire, ie, conservative suit, shirt and tie.

**Business Cards:** Bring an ample supply of business cards. It can also be useful to bring some short-form brochures describing your company.

## **Business Introductions:**

- It is respectful to greet and shake hands first with the most senior person at the meeting, and then greet others present.
- If you feel comfortable doing so, a greeting of "ni hao" (hello, how are you) is appropriate.
- Speak clearly when stating your name and your business, especially if it's a difficult name to pronounce.
- When exchanging business cards, you should present your card with both hands.
- When receiving others business cards, look at their card, their name, title, etc before proceeding to the next person at the meeting. This shows respect for the person.

## **Business Behavior:**

- Address the senior person at the meeting and your counterpart by their surname. If the person's name is Lin Peng, you would address him as Mr. Lin.
- Visitors are expected to be punctual for meetings.
- Setting arrangements at the meeting may be suggested by the most senior person at the meeting. Just follow the lead of your hosts.
- As the guest, you can start the meeting discussion with some rapport building comments, and then lead into business topics and presentations.
- Allow time for translating information as required and don't be concerned about periods of silence during the meeting as individuals consider the topics presented.
- Exchange of simple gifts at the end of a business meeting is common. You may choose to bring a small gift for each person or a larger gift for the group presented to the most senior person. Gifts not made in China are best. Gifts representative of your region, state, city, etc are nice choices, ie, framed photos, books, or special items from your area.
- Business dinners can be an expected part of building a "guanxi" relationship. As with the business meetings, seating arrangements at dinner will be suggested by your host. Be flexible on the Chinese menu and be willing to try to use chopsticks. Drinking and toasting others at dinner is quite typical. Normally, wait for others to take a drink or toast ("ganbei") you before you take a drink. Beer versus hard liquor or wine is most common.

**Arrival at a Chinese Business Meeting:**

Be on time. Arriving late is considered rude. If you do arrive late, apologizing for your tardiness is a must.

If you are hosting the meeting, it is proper etiquette to send a representative to meet the meeting's participants outside the building or in the lobby and personally escort them to the meeting room. The host should be waiting in the meeting room to greet all meeting attendants.

The senior-most guest should enter the meeting room first. While entrance by rank is a must during high level government meetings, it is becoming less formal for regular business meetings.

#### **Chinese Business Meeting Seating Arrangements:**

After handshakes and the exchange of business cards, guests take their seats. The seating is typically arranged by rank. The host should escort the senior-most guest to his or her seat as well as any VIP guests.

The place of honor is to the host's right on a sofa or in chairs that are opposite the room's doors. If the meeting is held around a large conference table, then the guest of honor is seated directly opposite the host. Other high ranking guests sit in the same general area while the remainder of the guests can choose their seats from among the remaining chairs.

If the meeting is held around a large conference table, all the Chinese delegation may opt to sit on one side of the table and foreigners on the other. This is especially true for formal meetings and negotiations. The principal delegates are seated in the meeting with lower ranking attendees placed at either end of the table.

#### **Discussing Business at a Chinese Business Meeting:**

Meetings usually begin with small talk to help both sides feel more comfortable. After a few moments of small talk, there is a short welcoming speech from the host followed by discussion of the meeting's topic.

During any conversation, the Chinese will often nod their heads or make affirmative utterances. These are signals that they are listening to what is being said and understand what is being said. These are not agreements to what is being said.

Do not interrupt during the meeting. Chinese meetings are highly structured and interjecting beyond a quick remark is considered rude. Also, don't put anyone on the spot by asking them to provide information they seem unwilling to give or challenge a person directly. Doing so will lead them to become embarrassed and lose face.

#### **Facts and Statistics**

**Location:** Eastern Asia bordering Afghanistan 76 km, Bhutan 470 km, Burma 2,185 km, India 3,380 km, Kazakhstan 1,533 km, North Korea 1,416 km, Kyrgyzstan 858 km, Laos 423 km, Mongolia 4,677 km, Nepal 1,236 km, Pakistan 523 km, Russia (northeast) 3,605 km, Russia (northwest) 40 km, Tajikistan 414 km, Vietnam 1,281 km

**Capital:** Beijing

**Climate:** extremely diverse; tropical in south to subarctic in north

**Population:** 1,298,847,624 (July 2004 est.)

**Ethnic Make-up:** Han Chinese 91.9%, Zhuang, Uygur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, Korean, and other nationalities 8.1%

**Religions:** Daoist (Taoist), Buddhist, Muslim 1%-2%, Christian 3%-4%

**Government:** Communist state

## **The Chinese Language**

Chinese is a family of closely-related but mutually unintelligible languages. These languages are known variously as f“ingy“ 方言 (regional languages), dialects of Chinese or varieties of Chinese. In all over 1.2 billion people speak one or more varieties of Chinese. All varieties of Chinese belong to the Sino-Tibetan family of languages and each one has its own dialects and sub-dialects, which are more or less mutually intelligible.

Why not learn some useful [Mandarin](#) or [Cantonese](#) phrases before your visit?

## **Chinese Society & Culture**

### **The Importance of "Face"**

- . The concept of 'face' roughly translates as 'honour', 'good reputation' or 'respect'.
- . There are four types of 'face':
  - 1) *Diu-mian-zi*: this is when one's actions or deeds have been exposed to people.
  - 2) *Gei-mian-zi*: involves the giving of face to others through showing respect.
  - 3) *Liu-mian-zi*: this is developed by avoiding mistakes and showing wisdom in action.
  - 4) *Jiang-mian-zi*: this is when face is increased through others, i.e. someone complementing you to an associate.
- . It is critical you avoid losing face or causing the loss of face at all times.

### **Confucianism**

Confucianism is a system of behaviours and ethics that stress the obligations of people towards one another based upon their relationship. The basic tenets are based upon five different relationships:

- . Ruler and subject
- . Husband and wife
- . Parents and children
- . Brothers and sisters
- . Friend and friend

Confucianism stresses duty, sincerity, loyalty, honour, filial piety, respect for age and seniority. Through maintaining harmonious relations as individuals, society itself becomes stable.

### **Collectivism vs. Individualism**

- . In general, the Chinese are a collective society with a need for group affiliation, whether to their family, school, work group, or country.
- . In order to maintain a sense of harmony, they will act with decorum at all times and will not do anything to cause someone else public embarrassment.
- . They are willing to subjugate their own feelings for the good of the group.
- . This is often observed by the use of silence in very structured meetings. If someone disagrees with what another person says, rather than disagree publicly, the person will remain quiet. This gives face to the other person, while speaking up would make both parties lose face.

### **Non-Verbal Communication**

- . The Chinese' Non-verbal communication speaks volumes.
- . Since the Chinese strive for harmony and are group dependent, they rely on facial expression, tone of voice and posture to tell them what someone feels.
- . Frowning while someone is speaking is interpreted as a sign of disagreement. Therefore, most Chinese maintain an impassive expression when speaking.
- . It is considered disrespectful to stare into another person's eyes. In crowded situations the Chinese avoid eye contact to give themselves privacy.

### **Meeting Etiquette**

- . Greetings are formal and the oldest person is always greeted first.
- . Handshakes are the most common form of greeting with foreigners.
- . Many Chinese will look towards the ground when greeting someone.
- . Address the person by an honorific title and their surname. If they want to move to a first-name basis, they will advise you which name to use.
- . The Chinese have a terrific sense of humour. They can laugh at themselves most readily if they have a comfortable relationship with the other person. Be ready to laugh at yourself given the proper circumstances.

## Gift Giving Etiquette

- . In general, gifts are given at Chinese New Year, weddings, births and more recently (because of marketing), birthdays.
- . The Chinese like food and a nice food basket will make a great gift.
- . Do not give scissors, knives or other cutting utensils as they indicate the severing of the relationship.
- . Do not give clocks, handkerchiefs or straw sandals as they are associated with funerals and death.
- . Do not give flowers, as many Chinese associate these with funerals.
- . Do not wrap gifts in white, blue or black paper.
- . Four is an unlucky number so do not give four of anything. Eight is the luckiest number, so giving eight of something brings luck to the recipient.
- . Always present gifts with two hands.
- . Gifts are not opened when received.
- . Gifts may be refused three times before they are accepted.

## Dining Etiquette

- . The Chinese prefer to entertain in public places rather than in their homes, especially when entertaining foreigners.
- . If you are invited to their house, consider it a great honour. If you must turn down such an honour, it is considered polite to explain the conflict in your schedule so that your actions are not taken as a slight.
- . Arrive on time.
- . Remove your shoes before entering the house.
- . Bring a small gift to the hostess.
- . Eat well to demonstrate that you are enjoying the food!
- Table manners:
  - . Learn to use chopsticks.
  - . Wait to be told where to sit. The guest of honour will be given a seat facing the door.
  - . The host begins eating first.
  - . You should try everything that is offered to you.
  - . Never eat the last piece from the serving tray.
  - . Be observant to other peoples' needs.
  - . Chopsticks should be returned to the chopstick rest after every few bites and when you drink or stop to speak.
  - . The host offers the first toast.
  - . Do not put bones in your bowl. Place them on the table or in a special bowl for that purpose.
  - . Hold the rice bowl close to your mouth while eating.
  - . Do not be offended if a Chinese person makes slurping or belching sounds; it merely indicates that they are enjoying their food.
  - . There are no strict rules about finishing all the food in your bowl.

**Tippling Etiquette:** Tippling is becoming more commonplace, especially with younger workers although older workers still consider it an insult. Leaving a few coins is usually sufficient.



## Relationships & Communication

- . The Chinese don't like doing business with companies they don't know, so working through an intermediary is crucial. This could be an individual or an organization who can make a formal introduction and vouch for the reliability of your company.
- . Before arriving in China send materials (written in Chinese) that describe your company, its history, and literature about your products and services. The Chinese often use intermediaries to ask questions that they would prefer not to make directly.
- . Business relationships are built formally after the Chinese get to know you.
- . Be very patient. It takes a considerable amount of time and is bound up with enormous bureaucracy.
- . The Chinese see foreigners as representatives of their company rather than as individuals.
- . Rank is extremely important in business relationships and you must keep rank differences in mind when communicating.
- . Gender bias is nonexistent in business.
- . Never lose sight of the fact that communication is official, especially in dealing with someone of higher rank. Treating them too informally, especially in front of their peers, may well ruin a potential deal.
- . The Chinese prefer face-to-face meetings rather than written or telephonic communication.
- . Meals and social events are not the place for business discussions. There is a demarcation between business and socializing in China, so try to be careful not to intertwine the two.

## Business Meeting Etiquette

- . Appointments are necessary and, if possible, should be made between one-to-two months in advance, preferably in writing.
- . If you do not have a contact within the company, use an intermediary to arrange a formal introduction. Once the introduction has been made, you should provide the company with information about your company and what you want to accomplish at the meeting.
- . You should arrive at meetings on time or slightly early. The Chinese view punctuality as a virtue. Arriving late is an insult and could negatively affect your relationship.
- . Pay great attention to the agenda as each Chinese participant has his or her own agenda that they will attempt to introduce.
- . Send an agenda before the meeting so your Chinese colleagues have the chance to meet with any technical experts prior to the meeting. Discuss the agenda with your translator/intermediary prior to submission.
- . Each participant will take an opportunity to dominate the floor for lengthy periods without appearing to say very much of anything that actually contributes to the meeting. Be patient and listen. There could be subtle messages being transmitted that would assist you in allaying

fears of on-going association.

- . Meetings require patience. Mobile phones ring frequently and conversations tend to be boisterous. Never ask the Chinese to turn off their mobile phones as this causes you both to lose face.
- . Guests are generally escorted to their seats, which are in descending order of rank. Senior people generally sit opposite senior people from the other side.
- . It is imperative that you bring your own interpreter, especially if you plan to discuss legal or extremely technical concepts as you can brief the interpreter prior to the meeting.
- . Written material should be available in both English and Chinese, using simplified characters. Be very careful about what is written. Make absolutely certain that written translations are accurate and cannot be misinterpreted.
- . Visual aids are useful in large meetings and should only be done with black type on white background. Colours have special meanings and if you are not careful, your colour choice could work against you.
- . Presentations should be detailed and factual and focus on long-term benefits. Be prepared for the presentation to be a challenge.

### **Business Negotiation**

- . Only senior members of the negotiating team will speak. Designate the most senior person in your group as your spokesman for the introductory functions.
- . Business negotiations occur at a slow pace.
- . Be prepared for the agenda to become a jumping off point for other discussions.
- . Chinese are non-confrontational. They will not overtly say 'no', they will say 'they will think about it' or 'they will see'.
- . Chinese negotiations are process oriented. They want to determine if relationships can develop to a stage where both parties are comfortable doing business with the other.
- . Decisions may take a long time, as they require careful review and consideration.
- . Under no circumstances should you lose your temper or you will lose face and irrevocably damage your relationship.
- . Do not use high-pressure tactics. You might find yourself outmanoeuvred.
- . Business is hierarchical. Decisions are unlikely to be made during the meetings you attend.
- . The Chinese are shrewd negotiators.
- . Your starting price should leave room for negotiation.

### **What to Wear?**

- . Business attire is conservative and unpretentious.
- . Men should wear dark coloured, conservative business suits.
- . Women should wear conservative business suits or dresses with a high neckline.
- . Women should wear flat shoes or shoes with very low heels.
- . Bright colours should be avoided.

### **Business Cards**

- . Business cards are exchanged after the initial introduction.
- . Have one side of your business card translated into Chinese using simplified Chinese characters that are printed in gold ink since gold is an auspicious colour.
- . Your business card should include your title. If your company is the oldest or largest in your country, that fact should be on your card as well.
- . Hold the card in both hands when offering it, Chinese side facing the recipient.
- . Examine a business card before putting it on the table next to you or in a business card case.
- . Never write on someone's card unless so directed.